

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

IN THE MATTER OF

) CASE NUMBER. 01-41593-293 ✓

BRIDGE INFORMATION SYSTEMS, INC., ) IN PROCEEDINGS UNDER CHAPTER 11  
et al.,

Debtors

) HONORABLE DAVID P. MCDONALD  
) UNITED STATES BANKRUPTCY JUDGE

**STANDING ORDER #2**

**PROCEDURES FOR INTERIM COMPENSATION AND REIMBURSEMENT  
OF PROFESSIONALS AND ESTABLISHING FEE AND EXPENSE  
GUIDELINES FOR PROFESSIONALS AND COMMITTEE MEMBERS**

This matter coming before the Court on the request of the Debtors and Debtors-in-Possession for an Order for Procedures for Interim Compensation and Reimbursement of Professionals and Establishing Fee and Expense Guidelines with respect to professionals and Official Committee members appointed pursuant to 11 U.S.C. §§ 327, 1102 ("Professionals and Committee Members"), the Court having reviewed and considered the request and having heard the statements of counsel in support thereof and the statements of all other parties appearing before the Court in connection therewith; the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and Local District Court Rule 9.01; the Court finding that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); the Court finding that due and adequate notice of the request having been given; the Court being fully apprised in the premises and having determined that the legal and factual bases are sufficient to establish just cause for the relief herein granted; now therefore,

IT IS ORDERED, ADJUDGED, AND DECREED

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## **I. INTRODUCTION**

1. Notwithstanding anything herein to the contrary, the Court reserves the right to alter the terms hereof and to allow compensation and reimbursement of expenses to any particular Professional as the Court from time to time determines factually and legally appropriate. The U.S. Trustee and each Professional reserve the right to petition the Court for such alteration.

2. Except upon separate order of the Court with respect to specific Professionals, Professionals in these proceedings shall be paid interim compensation and expense reimbursement and Committee Members shall be reimbursed for expenses from the Debtors' estates in accordance with the following procedures.

3. Notwithstanding any payments by the Debtors pursuant to (i) the monthly statements; or (ii) any Court approval of interim compensation or expense reimbursement, all fees and expenses of any Professional or Committee Member are subject to final review and approval of the Court.

## **II. REIMBURSEMENT OF FEES**

4. Professionals will be compensated from the Debtors' estates for professional services where the compensation is reasonable and is for services rendered to the Debtors' estates. Except as authorized by separate orders of the Court, all monthly statements and fee applications for compensation relating to professional fees must contain the following information:

(a) a detailed description, organized in chronological order by subject matter of the task, similar to those set forth in the U.S. Trustee's Guidelines for

Compensation and Reimbursement Expenses of the specific task performed (non-conforming descriptions may be subject to disallowance);

(b) the length of time it took to perform such task, expressed in tenths (1/10ths) of hours--note that the Professional must detail each task or contemporaneously related tasks performed and indicate the length of time it took to perform each such task or contemporaneously related tasks. Except where contemporaneously related tasks are related to each of the specific tasks performed, bunching/aggregating of all daily time entries is not permitted and will not be allowed;

(c) an identification of who performed the work;

(d) time entries for conferences and telephone calls should identify the participants and the primary subject of the communication;

(e) time entries for legal research should describe the research topic;

(f) time entries for drafting or reviewing documents should identify the document involved by title or subject matter; and

(g) travel time shall be limited to 50% of the Professional's hourly rate; provided that actual work performed during travel shall be excluded from this limitation. Travel time between St. Louis County and the City of St. Louis shall not be compensated.

### **III. REIMBURSEMENT OF EXPENSES**

5. For all expenses in excess of \$25, receipts or other supporting documentation must be retained by the Professional. Except upon further order of the Court and subject to the provisions of the preceding sentence, monthly statements and interim fee

applications need not include copies of receipts, except that copies of receipts shall be forwarded to the U.S. Trustee as part of the interim applications.

6. Reasonable and necessary expenses incurred by Professionals and Committee members shall be reimbursed to the Professionals and Committee members from the Debtors' estates in accordance with paragraph 8 hereof. Such reasonable and necessary expenses may include, without limitation, the following expenses:

**As to Professionals:**

(a) General Expenses

- (i) copying/duplication costs (not to exceed 20¢/page);<sup>1/</sup>
- (ii) long-distance telephone charges;
- (iii) postage;  
computer research, including Lexis and Westlaw;<sup>2/</sup>  
telecopier (telefax) communication charges;<sup>3/</sup>  
Federal Express and other similar express mail delivery services;<sup>4/</sup>
- (vii) computerized support services and word processing;<sup>5/</sup>

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<sup>1/</sup> For large copying projects, professionals are urged to utilize commercial copying services.

<sup>2/</sup> The time entry of the Professional performing computer research shall specifically identify the research as computer research.

<sup>3/</sup> These charges should reasonably relate to the cost of the communication.

<sup>4/</sup> Such services should be utilized only when reasonably necessary under the circumstances of the particular communication.

<sup>5/</sup> Such expenses shall not include any component for secretarial time, nor any component not otherwise regularly charged to clients of that firm.

(viii) messenger services;<sup>6/</sup>

(ix) Deposition and hearing transcript fees;

(x) Filing fees;

(xi) Witness fees; and

(xii) Summons and service of process fees.

**As to Professionals and Committee Members:**

(b) Travel Expenses

(i) reasonable meal costs;<sup>7/</sup>

reasonable lodging charges;<sup>7/</sup>

transportation;

(a) air: coach class;

(b) mileage--non-local (i.e., outside St. Louis City): at rate allowed by

the Internal Revenue Code; and

taxi-cabs, public transportation, parking, tolls.

(c) Such expenses may not include:

(i) secretarial time;

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<sup>6/</sup> Such services should be utilized only when reasonably necessary under the circumstances of the particular communication.

<sup>7/</sup> These combined items incurred while in St. Louis shall not exceed \$180/day.

(ii) paralegal overtime; and

(iii) secretarial overtime.

#### **IV. SUBMISSION, REVIEW AND PAYMENT OF MONTHLY STATEMENTS**

7 On or before the 25<sup>th</sup> day of each month following the month for which compensation and/or reimbursement is sought, each Professional or Committee Member shall (1) submit a monthly statement in compliance with the provisions of this Order detailing the Professional's fees and expenses for which payment is sought to the person who will be designated by Bridge Information Systems, Inc. as the Reviewing Officer ("Reviewing Officer"); and (2) serve a copy of such monthly statement upon the parties on the Master Service List. The Reviewing Officer shall have 15 days to review the monthly statement to determine that the calculations in the monthly statement are accurate and that the monthly statement complies with the provisions and guidelines of this Order. The Professional shall make the monthly statements available for review by any party in interest

8. In the event that the Reviewing Officer determines that the calculations in the monthly statement are accurate and that the monthly statement is in compliance with this Order, he shall authorize the Debtors to pay, and the Debtors shall pay, forthwith (i) 80% of the professional fees; and (ii) 100% of the expenses detailed in the monthly statement. The 20% professional fees holdback shall be reviewed and paid only in accordance with paragraph 14 hereof.

9 In the event that the Reviewing Officer determines that the calculations in a monthly statement are inaccurate or that one or more of the items included in the monthly statement is not in compliance with this Order, the Reviewing Officer shall, within 20 days of the receipt of the monthly statement, notify in writing the Professional whose monthly statement is

at issue and identify the source and amount of the inaccuracy or non-compliance. Pending resolution of those matters, the otherwise complying amounts shall be paid by the Debtors to the Professional or Committee Member in accordance with the preceding paragraph. The Reviewing Officer and the Professional or the Committee Member whose monthly statement is at issue shall confer promptly in a good faith attempt to resolve the variances or disputed items. If a resolution (which may include a waiver or deferral by the Professional of the items) cannot be reached, the Reviewing Officer on or before the particular Professional's filing of a quarterly fee application with respect to the items shall submit to the Professional and the parties on the Master Service List a Notice of Objection to the Monthly Statement (the "Notice of Objection"), setting forth in detail the precise nature of the objection and the amounts at issue. The Reviewing Officer's failure to serve a Notice of Objection to a particular monthly statement shall not be deemed to constitute a waiver of Debtors' or any other parties' right to object to interim fee applications filed by any Professional.

10. Initial monthly statements shall be submitted and served, in accordance with paragraph 7 on or before March 25, 2001, and shall cover the period from February 15, 2001 through February 28, 2001. Thereafter, each monthly statement shall be submitted and served in accordance with paragraph 7.

11. Subject to Paragraphs 1-3 hereof, Professionals will be compensated at their individual hourly rates. Hourly rates for out-of-town Professionals will not be limited by reference to local rates. Each monthly statement and each fee application shall include a schedule of the Professional's hourly rates charged for these cases.

12. Reasonable time and expenses spent by Professionals preparing monthly statements and each fee application will be compensated, as well reasonable time and expenses spent presenting fee and expense reimbursement applications to the Court.

13 Each Professional shall separately certify in each of its monthly statements and fee applications that the fees and expenses incurred fall within the provisions of this Order.

#### **V. INTERIM FEE APPLICATIONS**

14. Commencing June 25, 2001 (for the period from February 15, 2001 through May 31, 2001) and thereafter on or before the 25th day of the month following the end of each successive four-month period from May 31, 2001, Professionals may file with the Court in accordance with Standing Order #1 an application for interim Court approval of the payments made by the Debtors during the preceding period, as well as for allowance for payment of the 20% holdback referenced in paragraph 8 hereof. If allowed by the Court, the fees associated with the 20% holdback shall be paid forthwith to the Professional by the Debtors.

5. Each fee application must be in compliance with the provisions of this Order. In addition, each fee application must set forth (i) the amount of compensation previously allowed by the Court to the Professional; and (ii) a certification by the applicant that the applicant's client has been provided with an opportunity to review the application prior to its filing and whether the client has approved the requested amounts.

#### **VI. HEARINGS ON PROFESSIONALS' APPLICATIONS**

16. On or before the 28th day of the month within which interim Professional applications are filed, the Debtors shall file with the Court and serve upon each party on the Master Notice List a notice summarizing the compensation and reimbursement of expenses requested by Professionals in their fee applications and noticing a hearing on all such fee



applications (the “Notice of Hearing”) upon not less than thirty days notice prior to a Motion Date. The Notice of Hearing shall provide that any objections to any fee application shall be filed with the Court and served on the particular Professional and the Master Service List on or before five days prior to the Hearing. Prior to the Hearing, the objectors and the Professional shall confer and attempt to resolve or narrow the issues relative to the particular objection.

## **VII. REDACTION**

17. Pursuant to Paragraph 4 above, Professionals must describe in detail services performed, as well as any legal research performed. To protect the attorney-client privilege or privileged attorney work product, Professionals may redact, or black-out, descriptions included in monthly statements and fee applications which disclose such privileged material; provided however, in every fee application which contains such redacted material, a representative of the Professional shall personally certify to the Court in the application (i) that the representative has personally reviewed each entry of redacted material; (ii) that the redaction is necessary to protect the privileged material; and (iii) an unredacted version of the monthly statements has been and will at all times be retained by the Professional. Subject to (i) such separate, periodic in camera review by the Court as the Court in its discretion may require from time to time; and/or (ii) submission and review of the particular Professional’s unredacted final application in these proceedings, the requisite certification pursuant to the preceding sentence shall constitute a reasonable basis for interim (as distinguished from final) allowance of the fees associated with the redacted services.

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Dated                      Louis Missouri

February 28 2001

  
UNITED STATES BANKRUPTCY JUDGE